

DEPARTMENT OF STATE REVENUE

LETTER OF FINDINGS NUMBER: 02-0517P

Gross Income Tax
For Calendar Year 2001

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ISSUE(S)

I. **Tax Administration** – Penalty

Authority: IC 6-8.1-10-2.1(d); 45 IAC 15-11-2

Taxpayer protests the penalty assessed.

STATEMENT OF FACTS

Taxpayer is a late filer. Taxpayer states it has no business function and was merely incorporated for the purpose of outlining bylaws by which its group abides and also for liability protection. It has no business function. The department issued a penalty billing for failure to file the IT-20 timely.

I. **Tax Administration** – Penalty

DISCUSSION

Taxpayer's letter states that it has no business function and generates no taxable income. Taxpayer further states it was formed for the outlining of bylaws and for liability protection. It believes this is the first late filing penalty assessed.

Based upon the above information, taxpayer requests that the penalty be waived.

IC 6-8.1-10-2.1(g) states:

A person who fails to file a return for a listed tax that shows no tax liability for a taxable year, other than an information return (as defined in section 6 of this chapter), on or before the due date of the return shall pay a penalty of ten dollars (\$10) for each day that the return is past due, up to a maximum of two hundred fifty dollars (\$250).

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Taxpayer failed to file its return timely and has not provided reasonable cause. The department finds that a penalty is proper.

FINDING

Taxpayer's protest is denied.

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